Impact of decline in petrol prices

*10. SHRI CHIMANBHAI MEHTA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) what is the likely or actual impact of the decline in petroleum prices in the international market on the local petroleum products' prices;

(b) to what extent the import bill of the petroleum products would be reduced in monetary terms in the current financial year;

(c) whether Government are reconsidering the previous upward price revision of the petroleum products in view of the new favourable factors; and

(d) what is the production cost of crude oil per ton and other petroleum products comparable to international prices?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI CHANDRA SHEKHAR SINGH): (a) There will be no impact of a fall in crude prices on petroleum prices in the domestic market.

(b) As the oil market is still fluid it is not possible at this stage to estimate the savings on this account till the end of the year. However, according to a preliminary estimate, the savings on import of products are expected to be of the order of Rs. 264 crores.

(c) No, Sir.

(d) The domestic cost per ton of production of crude oil for ONGC was Rs. 877.32 for 1984-85. In a continuous processing industry like oil refinery with a multi-product line of production with a common input, it is not possible to assess and quantity precisely the cost of production of each product in a refinery. It is difficult to compare the domestic production costs and that of products with international prices as there is no relationship between the indigenous crude oil cost and international crude oil prices on the one hand and product prices on the other.

Investigation into the fire in Kadi Well

*11. SHRI SHANKER SINH VAGHELA:

SHRI MUKHTIAR SINGH MALIK:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to refer to the answer to Unstarred Question No. 864 given in the Rajya Sabha on 3rd March, 1986 and state:

(a) whether Government have since completed the investigation into the causes of fire in ONGC Kadi-53 Oil Well on 15th December, 1985 which had resulted in a loss of crores of rupees;

(b) if so, what are the details of the inquiry made;

(c) what is Government's reaction thereto; and

(d) what action has been taken by Government so far in the matter?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI CHANDRA SHEKHAR SINGH): (a) The Government is not investigating into the causes of fire in ONGC Kadi-53 well on 15th December, 1985. The enquiry report of ONGC is awaited.

(b) to (d) Do not arise.

Memorandum against high prices of medicines

*12. SHRI NAND KISHORE BHATT:

SHRIMATI MAIMOONA SULTAN:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Government have recently received a memorandum from

the Akhil Bharatiya Grahak Panchayat in regard to the high prices being charged by drug manufacturers;

(b) whether it is also a fact that the memorandum has expressed Government's indifference towards the consumers of medicines; and

(c) if so, what are the main suggestions made by this organisation?

THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI): (a) Akhil Bharatiya Grahak Panchayat has submitted memorandum dated the 21st March, 1986 suggesting certain points which should be kept in view while framing Drug Policy.

(b) and (c) The memorandum urges to give adequate importance to the consumer in the formulation of the Drug Policy. Main suggestions made in for memorandum *inter-alia* include strict quality control on drug formulations, ban on toxic, harmful and irrational drugs, measures aimed at making available drugs at reasonable cost, encouraging the use of generic names, amendments in Drug and Magic Remedies Act etc.

Price fixation orders of bulk drugs and formulations

*13. SHRI RAFIQUE ALAM:
SHRIMATI MAIMOONA SULTAN:

Will the Minister of INDUSTRY be pleased to state:

(a) the names of the drug companies who have challenged the price fixation orders of bulk drugs as well as formulations alongwith the name of each bulk drug and formulation;

(b) what was the price fixed for each by his Ministry and what price is being charged by each of those drug companies and since when these companies are charging their own prices;

(c) whether it is a fact that these companies got stay orders from different courts;

(d) if so, what were the main grounds on which the stay orders were granted; and

(e) what steps have been taken by Government to provide relief to the poor people of the country in this regard, and what are the details thereof?

THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI): (a) A statement giving the details of the prices of bulk drugs and formulations challenged in the Courts, to the extent available, is attached at Statement I. [*See* Appendix CXXXVIII, Annexure No. 1].

(b) A Statement giving the details is at Statement II. [*See* Appendix CXXXVIII, Annexure No. 2]. The Companies are charging the prices of bulk drugs/formulations as allowed to them by the High Courts throuhg their judgment/stays granted in each case from time to time.

(c) While some companies are operating on the basis of the stays granted by the Courts, others are operating on the basis of judgements of the High Courts.

(d) The High Courts have granted stays/passed judgements against the orders relating to prices fixed for Bulk Drugs and formulations under Drugs Prices (Control) Order, 1979 on the grounds *inter alia* that before fixing/revising the prices the principles of natural justice have not been followed and many costs which ought to have been allowed have not been allowed.

(e) Government have filed the Special Leave Petition against judgements delivered by the Delhi High Court in respect of 13 Writ Petitions. Recently Government have refixed the prices of 52 packs of multivitamin formulations produced by M/s. Abbott Labs., Sandoz Ltd. and Pfizer Ltd., keeping in view the judgement of the Bomay High Court. This refixation in prices has resulted in reduction in prices of 14 packs of formulations.